BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TOLLEY TO INTERROGATORY OF THE NEWSPAPER ASSOCIATION OF AMERICA (NAA/USPS-T6-11)

The United States Postal Service hereby provides the response of witness Tolley to the following interrogatory of the Newspaper Association of America:

NAA/USPS-T6-11, filed on March 16, 2000.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

Eric P. Koetting

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2992 Fax –5402 March 30, 2000

RESPONSE OF POSTAL SERVICE WITNESS TOLLEY TO INTERROGATORIES OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-T6-11 Please refer to USPS-LR-I-121, specifically to the file vf_ar.wk4, to the sheet "NonRate Data". Column X refers to a variable called "PC". Please give the source from which the values of this column were obtained.

RESPONSE:

The variable PC comes from DRI/McGraw-Hill, who identify this variable as PIDC. DRI defines PIDC as the "implicit price deflator - personal consumption expenditures (chained)." DRI identifies the source of historical values of this variable as "U.S. Department of Commerce, Bureau of Economic Analysis, National Income & Product Accounts - underlying detail." Forecasted values of PIDC are calculated by DRI.

DECLARATION

I, George Tolley, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information and belief.

(Signed)

3-28-00

(Date)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Eric P. Koetting

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2992 Fax –5402 March 30, 2000